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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION

In the Matter of

Federal State Joint Board on Universal Service

**Forward-Looking Mechanism For High Cost
Support**

CC Docket No. 96-45

CC Docket No. 97-160

**MOTION FOR AN EXTENSION OF TIME
TO FILE COST MODEL BY THE
MONTANA PUBLIC SERVICE COMMISSION**

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December 3, 1997

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Introduction

Pursuant to Sections 1.44 and 1.46 of the Federal Communications Commission's ("FCC" or "Commission") General Rules of Practice and Procedure, 47 C.F.R. §§ 1.44 and 1.46, the Montana Public Service Commission respectfully requests that the Commission extend the time for Montana to submit its cost model from February 6, 1998 to September 1, 1998.

I. The Montana Public Service Commission's Investigation of Cost Models

The Montana Public Service Commission ("MPSC") is the state agency charged with regulating telecommunications providers within the State of Montana. Mont. Code Ann. § 69-3-102 (1997). The MPSC has a duty to ensure that rates for regulated telecommunications services are just, reasonable and nondiscriminatory. The MPSC must carry out the stated purpose of the Montana Legislature to "maintain universal availability of basic telecommunications service at affordable rates." Mont. Code Ann. § 688-3-802 (1997).

In keeping with Congress's continuance of a significant role by State commissions under § 254 of the Telecommunications Act of 1996, Pub. L. No. 104-104,

Stat. 56 (February 8, 1996), the Commission has offered State commissions the option to submit Universal Service cost models. The Commission permitted State commissions the opportunity to elect by August 15, 1997 to conduct forward-looking economic cost studies for determining federal universal service support for their respective states. Order No. 97-157, ¶ 248 (May 8, 1997). The MPSC notified the Commission in a letter dated July 28, 1997 that it intended to develop or choose a cost model for Montana.

Several States have asked the Commission for extensions of time for filing their state's cost model. The National Association of Regulatory Utility Commissioners ("NARUC") has also requested an extension of time on behalf of its member States. The MPSC files this additional request to explain Montana's unique circumstances and to emphasize its need for an extension of time.

II. Rationale for Request

In ¶ 245 of Order No. 97-157, the Commission stated its intention to choose a forward-looking cost methodology platform by the end of 1997. The MPSC is greatly concerned about the variance of input values between states and is committed to developing Montana-specific input values and a cost model for Montana. Although the MPSC's letter was filed in part as a "place holder," the MPSC initiated a Universal Service Cost Model proceeding to be completed prior to February 6, 1998.

However, the time allotted for completing the Montana proceeding has been affected by events which are not within the control of the MPSC. In October 1997, the proponents of the two leading models indicated that their latest versions with changes to accommodate FCC suggestions would not be available until mid-November 1997 after the NARUC annual meeting. It now appears that these latest versions will not be available with Montana-specific data until the week of December 8-12, 1997. Thus, Montana will have less than two months to develop the record, hold a hearing, and issue a final decision.

This shortened period of time does not even allow for discovery between parties. The MPSC is deeply concerned that it will not have time to conduct a meaningful review of the models prior to making a decision in this matter. The FCC, which has been working with these cost models for a significantly longer period of time than has the MPSC, has not placed similar time constraints upon itself and is all too aware of the complexities involved in developing a cost model and specific State inputs. The FCC has recently stated that its adoption of a complete cost mechanism which includes the selection of input values will not occur until August 1998.

If an extension of time is not granted, the MPSC will not be able to review the FCC's completed proposal before it must submit its own cost models or model input. The MPSC will not have the benefit of the FCC's extensive work regarding such prior to making its decision on a cost model. The MPSC respectfully submits that this makes little sense.

In addition, the MPSC is a small agency with a very limited utility staff. Although the utility division is small, it has extensive experience in telecommunications matters, particularly with regard to matters stemming from the 1996 Act. However, the MPSC is also heavily involved with two electric restructuring proceedings mandated by the 1997 Montana Legislature which must be completed by May 1, 1998. If the extension of time requested by this motion is granted, the MPSC will have adequate time within which to devote the resources needed to consider universal service cost models and inputs.

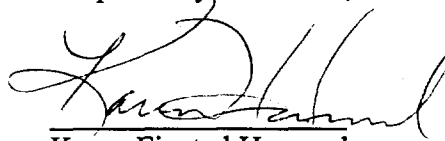
III. Conclusion and Request

The delayed release of the final versions of the two major cost models has compounded a significant problem for the MPSC. The MPSC respectfully requests the FCC grant its motion for an extension of time from February 6, 1998 until September 1, 1998 in which to complete and file Montana cost studies. This request is supported by

the following reasons: (1) the delay in receipt of the final versions of the two major cost models, (2) the demands placed on the MPSC in its electric restructuring proceedings, (3) the impossibly short period of time within which to complete the MPSC's universal service costing proceeding, and (4) the FCC's August 1998 adoption of a complete cost mechanism which the MPSC strongly believes should be reviewed before it makes its final decision for a Montana cost model and cost inputs.

Dated this 3rd day of December, 1997.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Karen Hammel", written over a horizontal line.

Karen Finstad Hammel
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